

portions of the state where competition will probably never be a factor in the rate-setting process. I want to point out that there are...that under LB 835 there are more than 20 services that are deregulated that are presently under the jurisdiction of the Public Service Commission. These include, of course, directory assistance, 911, et cetera. I think it is important to recognize that if you adopt the theory of LB 835 you are saying to the public we are providing protection, a monopoly protection for an area for the industry, that we are providing full price flexibility. I would suggest that if 835 becomes law, with its subsequent rate increases, and of course those rate increases will not become possible until after January, 1987. So those members of this body who are candidates for 1986 will not have to face that trauma. The individuals who are candidates in 1988 will, of course, be faced with the necessity of explaining why did the Legislature abdicate its responsibility to the customer in favor of the industry. I would expect that we will see rate increases in excess of 50 percent across the industry in the next five years, and they may well be in excess of that. I would suggest if we were to try to increase taxes by that much in this body, in any one year, that there would be a massive uprising on the part of the population. I want to point out that I am appalled at the lack of information that exists in the country and in your local communities relative to the impact of this bill upon the individual. I do not believe they are at all aware of what can happen to their local telephone rates. There are a multitude of services that are going to be deregulated, thrown to the winds if you so will, under LB 835 which are no longer then going to be supervised by the Public Service Commission. I would suggest again that I think we have an excellent telephone industry. I would suggest that the industry has been responsible. I would suggest also that it is the responsibility, as Senator Abboud pointed out in previous discussion on this bill, of the telephone companies to earn as substantial a return on their investment for the stockholders as they possibly can. It is not their responsibility to provide service with the most economical price available to the customer. I hope that you understand that if this bill, LB 835 in the present form, becomes law, there will be a substantial fiscal impact, which I do not know whether it has been provided for or not, almost a quarter of a million dollars between now and July 1, and it could be as much as \$900,000 on an annual basis. I want to point out also that this impact does not take into account the fiscal impact of increased telephone rates in every one of our offices, and in every one of our institutions at the state, county, city level.